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SUBJECT: BHARAT BALLOT 09: UPA FACES SETBACK IN TAMIL NADU

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¶1. (SBU) Summary: Tamil Nadu has played a crucial role in the formation of India's recent coalition governments. In 2004, a DMK-led alliance swept the polls, contributing all of the state's parliamentary seats to the United Progressive Alliance (UPA). But the tables have turned, with the DMK and Congress having lost a majority of their allies. Anti-incumbency and anger over India's failure to intervene to stop Tamil civilian casualties in the ongoing war in Sri Lanka further darken the UPA's prospects in Tamil Nadu. Analysts believe Jayalalithaa's AIADMK and its allies will win a substantial majority of the 40 parliamentary seats from Tamil Nadu and the Union Territory of Pondicherry. End summary.

¶2. (SBU) On May 13, the south Indian state Tamil Nadu, along with the nearby Union Territory of Pondicherry, go to the polls in the final round of India's rolling national election. Tamil Nadu's population of over 66 million earns it 39 representatives in the Lok Sabha (the lower house of India's Parliament), giving the state the sixth largest number of seats in the Parliament. Pondicherry elects one Lok Sabha member. In the last election, Tamil Nadu's DMK and Congress, along with several other Tamil Nadu-based parties, played a pivotal role in bringing the United Progressive Alliance (UPA) to power by sweeping all 40 seats from Tamil Nadu and Pondicherry.

Tamil Nadu at a glance

¶3. (SBU) Tamil Nadu is prosperous, stable, and one of India's best governed states. It generally scores high on human development indices, and enjoys the eighth-highest per capita income (USD 595). The majority of Tamils are farmers, but agriculture's part in the GDP has dropped by 10% in the last decade, while manufacturing and IT have surged, with annual growth of 40%. Tamil Nadu's capital Chennai, known as Madras until 1996, has long been South India's administrative and economic center of gravity, with a 400-year history of business and trade. The state has drawn a steady flow of huge investments by major global players in and around Chennai. It is unique in South India in the diversity of its economic base. Like its neighbors in Bangalore and Hyderabad, Tamil Nadu has a thriving IT sector. Tamil Nadu's software companies employ over 200,000 people. But unlike Bangalore and Hyderabad, Tamil Nadu and Chennai are also home to major manufacturing industries and a booming automotive sector anchored.

¶4. (SBU) After Indian Independence the states of South India were arranged on linguistic lines. The Tamil language has provided a

continual source of local pride and political organization since then. Cultural and political life are dominated by the people's great pride that the Tamil language is one of the few "classical languages" in the world still spoken today. Linguistic pride is also at the core of what is known as the "Dravidian" (Tamil nationalist) political movement. Dravidian politics repudiates the Congress party, is historically anti-Brahmin, and staunchly holds to its Tamil language in the face of Hindi-speaking North India. In an era of coalition politics in India, Tamil Nadu's prominent Dravidian parties have learned to leverage their parliamentary votes and play an outsized role in New Delhi.

15. (SBU) The DMK, led by five-time Chief Minister M.K. Karunanidhi, is the original Dravidian party. The AIADMK, led by the enigmatic J. Jayalalithaa, broke away from the parent DMK under the leadership of Jayalalithaa's mentor, M.G. Ramachandran. The parties revolve around personality cults and offer few policy differences: both support the state's welfare programs and its pro-business policies. They have regularly alternated in power, leaving the national parties as bit players in the state. Congress maintains a respectable enough vote share to make it an attractive alliance partner; the Bharatiya Janata Party (BJP) exists on the margins, often finding itself at a loss for allies in the state. In an era of coalition politics throughout India, winning in Tamil Nadu's political environment requires parties to form strong alliances. Although the DMK and AIADMK are the strongest players, both need partners from among the smaller Tamil Nadu-based parties and the local branches of the national parties. Heading into voting on May 13, the AIADMK has put together a formidable alliance against which the DMK and Congress find themselves virtually alone.

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Alliance arithmetic favors Jayalalithaa

16. (SBU) The AIADMK's principal advantage is the strong alliance that Jayalalithaa has assembled (ref B). The AIADMK formed a pre-poll alliance which includes the Tamil Nadu-based PMK and MDMK parties, as well as the Tamil Nadu branches of the Communist Party of India (CPI) and Communist Party of India (Marxist) (CPM). The turning point was the defection of the PMK over to the AIADMK side. Although the PMK is a small, caste-based party confined to the northern districts of Tamil Nadu, it has a reputation of making shrewd, though unprincipled last-minute switches, always in favor of the winning combination. The decision of the PMK to throw its lot with Jayalalithaa after lasting almost a full-term as part of the UPA led people to believe that the AIADMK and its allies had the edge over the DMK/Congress combination. Jayalalithaa clearly banked on psychological impact of drawing in "the wily PMK" and wooed them by offering the party an unprecedented seven Lok Sabha seats.

PMK bolsters Jayalalithaa's credibility on Sri Lanka

17. (SBU) Signing up the PMK also bolstered the AIADMK's credibility on the signal issue of the election: the war in Sri Lanka. The bloody images of Tamil civilian casualties in Sri Lanka's increasingly intense campaign against the Liberation Tigers of Tamil Eelam (LTTE) dominating the state's newspapers and television news broadcasts have caused anxiety amongst the state's voters. Jayalalithaa, for her part, had long taken a stern anti-LTTE line which included often calling her rival Karunanidhi soft on terrorism. But sensing changing political winds in favor of a more "pro-Tamil" position, Jayalalithaa pulled in the PMK and made a full about face. She ratcheted up the rhetoric by calling for an independent homeland of Tamils in Sri Lanka, Tamil Eelam, as the only solution for the conflict, which is the LTTE's demand. In the final days before the voting, Jayalalithaa even declared that she would send the Indian army to Sri Lanka to carve out Tamil Eelam, drawing a parallel with Indira Gandhi's support of an independent Bangladesh. The presence in her coalition of the consistently pro-Qil PMK, as well as the less influential but more militant MDMK, lent credibility to Jayalalithaa's turnaround on the Sri Lanka issue.

Sri Lanka: light but no heat?

¶8. (SBU) The headlines gave the impression that the Sri Lankan war was the single dominant issue in the state's Lok Sabha election. News reports presented the average Tamil voter as seething with anger at the central government and the ruling Congress party for not intervening on the island. Voters we spoke with, however, tended to downplay the issue focusing instead on local issues of concern -- particularly the power cuts that have affected the state for almost a year. Congress and DMK leaders argue that except for young, educated urban voters, Sri Lanka is not a major issue. Karti Chidambaram, son and campaign manager of Home Minister P. Chidambaram, told us that the Sri Lankan issue will not be a major issue unless LTTE leader Prabhakaran is killed before the voters go to the polls in Tamil Nadu. On the other hand, Chidambaram said, Congress will be wiped out in a "tsunami" of sympathy if Prabhakaran dies before May 13.

¶9. (SBU) Although Sri Lanka does not seem foremost in the minds of the average voter, the issue has damaged the chemistry of the DMK-Congress alliance. Grassroots workers from both the Congress and the DMK told us that the other party has mishandled the issue. Mayura Jayakumar, President of the Tamil Nadu Youth Congress, told us that Karunanidhi's repeated "dramas" have angered the electorate. "First he threatened that Tamil Nadu's MPs would resign from the Lok Sabha if there was no cease-fire in Sri Lanka. Then he went on a fast for a few hours knowing well that some announcement would come from Sri Lanka," Jayakumar said. The DMK rank and file, on the other hand, believes its alliance with the Congress has forced them to defend against AIADMK claims that the UPA is "sending arms to the Sri Lankan government" to aid and abet a "genocidal war" against the Tamils. Karunanidhi had to publicly chide his party members for not displaying the Congress party's election symbol at some DMK events.

Double-edged anti-incumbency

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¶10. (SBU) The DMK's position as Tamil Nadu's ruling party and a major constituent of the UPA in New Delhi makes for double anti-incumbency sentiment against it. Anti-incumbency towards the UPA and the central government focuses on Sri Lanka. Closer to home in Tamil Nadu, there is widespread resentment against DMK corruption, which many believe exceeds the "ordinary" corruption expected of Indian politicians. Power outages, which last several hours a day outside of Chennai, are another source of public anger at the government. The blackouts are new to Tamil Nadu, which for many years had a power surplus. Power outages affect industry, of course, but more troublingly for the DMK's prospects is the impact on the common man. As residents of one of India's more advanced states, Tamil Nadu's citizens are more dependent on their fans, air-conditioners, lights, and, most of all, televisions. "More than lost jobs, people are angry because they cannot watch their favorite TV programs," a voter told us in Madurai's suburbs.

¶11. (SBU) DMK campaigners do have an array of successfully implemented populist programs to tout. Widely circulated government advertisements ask, "Where else in India can you get 1 kg rice for 1 rupee...Free color TVs to all families, Free gas stoves with LPG connection to poor families?" Congress and DMK candidates also cite the National Rural Employment Guarantee Program as an example of the government's "people-friendly" programs. But it is doubtful that these programs overcome the electorate's suspicions that the DMK has been lining its pockets for the almost ten years it has been part of the ruling coalition in New Delhi (first with the BJP-led National Democratic Alliance from 1999-2004 and with the UPA since 2004).

Politics as family business irritates voters

¶12. (SBU) The DMK's "family politics" are another source of voter anger. Karunanidhi has brought two more of his children onto the political scene since taking power in the state in 2006. His daughter Kanimozhi was nominated to the Rajya Sabha (upper house of Parliament) in 2007. Karunanidhi's older son, M.K. Azhagiri, is the DMK's candidate for the Madurai Lok Sabha seat. In addition,

Karunanidhi's younger son, M.K. Stalin, continues to rise in the party; he was recently made party treasurer and is acting as its principal election campaigner. But Azhagiri's elevation is the biggest drag on the party, as the Madurai-based strongman's history of political violence makes him a villain in the eyes of all but the most committed DMK voters.

Lonely and ailing at the top

¶13. (SBU) Even at 85, Karunanidhi is the DMK's only star campaigner. His recent surgery and subsequent hospitalization during the campaign dealt another blow to the alliance's prospects in the state.

While Karunanidhi was limited to a small number of campaign events outside Chennai, Jayalalithaa addressed large, enthusiastic gatherings throughout the entire state, using a helicopter to maximize the ground she covered. Several interlocutors noted that Jayalalithaa's strong campaign throughout the state contrasted with the weakened Karunanidhi's limited presence to the detriment of the DMK.

Can DMK stem the tide by bribing voters?

¶14. (SBU) The AIADMK and its allies are feeling confident going into the voting. But they have one concern: that the DMK might be able to win a number of seats through large-scale bribing of voters (ref A). One AIADMK candidate told us that the party's only fear is the "Thirumangalam style" victory the DMK engineered in a January by-election, which was widely credited to a massive cash-for-votes program (ref D). Journalists noted that virtually all of Tamil Nadu's parties pay bribes to voters, but that the DMK has the largest war chest and is likely to spend it to try to stave off defeat. Ref A reports on the details of voter bribery in Tamil Nadu.

BJP could win a seat; Chidambaram in trouble

¶15. (SBU) The BJP, which has only won parliamentary seats in Tamil

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Nadu through pre-poll alliances with other parties, might actually win a seat on its own. Several contacts said that the division of Christian votes between the DMK, several smaller parties, and independent candidates in Kanyakumari, the southernmost constituency in India, might allow the BJP to win the seat. Though the BJP is generally weak in Tamil Nadu, Kanyakumari is one of its best constituencies due to a history of tension between Christian and Hindu groups there. Home Minister P. Chidambaram is contesting in south Tamil Nadu's Sivaganga constituency. Several credible interlocutors told us that he is in danger of losing the election.

Potential impact of smaller parties is the wildcard

¶16. (SBU) The DMK and the Congress are hoping that unaligned parties will help them by drawing more votes from their opponents and splitting the anti-incumbency votes. Vijayakanth's DMDK, launched in 2005, has steadily increased its vote share and may command as much as ten percent of the vote in some districts. The DMDK is running candidates in all parliamentary constituencies, making the Tamil Nadu races a three-way affair (at minimum). In western Tamil Nadu, contacts pointed to the emergence of a new caste-based party -- the Kongu Nadu Munnetra Peravai (KNMP) -- as a major factor, with some predicting that KNMP candidates might come in second place in several constituencies. Analysts told us that parties like the KNMP and DMDK make Tamil Nadu difficult to predict because it is impossible to know from which of the major parties these new entrants will pull votes.

Gloomy outlook for DMK/Congress

¶17. (SBU) "We are in bad shape here," said a senior Congress leader from a neighboring state who was sent to Tamil Nadu to conduct an independent assessment of the party's prospects less than two weeks before voting. "If elections are held today, it will be 30 (for the

AIADMK and its allies) to 10 (for DMK and Congress)." The official went on to say the best case for Congress and the DMK is a 20-20 split. (Note: These figures include the single seat for Pondicherry. End note.) Analysts generally concurred with the Congress leader's glum assessment, though they largely feel the best case scenario for the Congress/DMK alliance is 15 seats.

¶18. (SBU) Comment: The glum assessments of the DMK and Congress's prospects seem reasonable. Most of their alliance partners have abandoned them to join the AIADMK. Anti-incumbency and the Sri Lankan war further weigh them down. The inability of the still-charismatic Karunanidhi to vigorously campaign might have been the final straw. If the AIADMK alliance picks up 30 or more seats as predicted, the mercurial Jayalalithaa could be a major player in the post-poll jockeying to form a government in New Delhi. Her history of unpredictability and brinkmanship would add even more uncertainty to an already complicated post-poll scenario. End comment.

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